



**State of New Jersey**

**DEPARTMENT OF HUMAN SERVICES**

**DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

**CN 712**

**TRENTON, NEW JERSEY 08625**

**(609) 588-2600**

**ALAN J. GIBBS**  
Commissioner

**SAUL M. KILSTEIN**  
Director

**MEDICAID COMMUNICATION NO. 91-26      DATE: November 15, 1991**

**TO:** County Welfare Agency Directors

**SUBJECT:** Outstationing of Medicaid Eligibility Staff

**BACKGROUND** The Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) requires that initial Medicaid application processing occur at sites other than those used to process AFDC applications. Those sites must include disproportionate share hospitals (DSHs) and federally-qualified community health centers (FQHCs). The intent of this provision is to facilitate greater access to medical assistance by having the Medicaid application processed, to the maximum extent possible, at the medical facility rather than at the county welfare agency office.

Recent State legislation (P.L. 1991, chapter 187) also included provisions for the full and part-time outstationing of county agency staff for the processing of Medicaid applications at hospitals designated by the Commissioner of the Department of Health in consultation with the Commissioner of Human Services. The State law also provides that the hospitals provide funding for the outstationing activity by reimbursing the county welfare agencies for the non-federal share of those costs. The purpose of the State provision is to provide for effective access to Medicaid eligibility thereby improving access to appropriate medical services and reducing inappropriate charges to the New Jersey Health Care Trust Fund.

The purpose of this communication is to convey the outstationing requirements and instructions for their implementation.

**ACTION** Each county welfare agency shall take action to implement outstationing activity in accordance with the instructions below as appropriate for the facilities located in the county.

outstationing activity be arranged to coincide with those times when the facility experiences the highest incidence of potentially eligible indigent patients.

For the remaining hours of county welfare agency operations, the agency has the option of meeting the requirement by locating intake staff at the secondary outstation site full-time or by delegating to the hospital facility the responsibility to conduct face-to-face interviews and initiate initial application processing for potentially eligible Medicaid applicants who are patients of the facility.

### **FEDERALLY QUALIFIED HEALTH CENTERS**

At federally qualified health centers, the outstationing activity can be limited to the initiation of New Jersey Care applications for pregnant women and children. However, full-time access to this limited initial application processing is required but need not be met through full-time outstationing of county welfare agency staff. To accomplish this requirement, the county welfare agency can use either or both methods below:

- a. provide that county intake staff be assigned to the federally qualified health center during the county welfare agency's normal working hours to take applications; or
- b. delegate to the federally qualified health center the authority to conduct face-to-face interviews and initiate initial application processing for the pregnant women and children.

**FORMAL AGREEMENTS** Each county welfare agency shall reach a formal agreement regarding outstationing activities in writing with each primary, secondary, and federally qualified health center outstation site within its borders. That agreement along with any amendments to that agreement must be submitted to the Division of Medical Assistance and Health Services, Office of Eligibility Policy and Operations, which will monitor the sufficiency of the outstationing effort.

In the event a county authorizes a secondary outstation site to perform initial application processing, a sample agreement of understanding is attached. This sample can be modified to reflect the actual arrangement between the county welfare agency and the outstation site.

Also attached is a sample agreement between a county welfare agency and an outstationing site for the purposes of locating county welfare agency employees at the facility for outstationing activities. This is a sample only. It would be expected that, due to local circumstances, there may be significant variations in approaches based on the needs of the facilities and the county welfare agencies, that would need to be reflected in the agreements.

It is essential that county welfare agencies maintain their high standards of eligibility verification. As the agency responsible for determining Medicaid eligibility, the county of residence remains responsible for quality control eligibility errors whether or not the initial application processing was done by another county welfare agency, a primary or secondary outstation site, or a federally qualified health center.

It is intended that, once interviewed in a health facility setting, applicants are not routinely required to appear at the county welfare agency offices for follow-up interviews. To the extent possible, necessary eligibility documentation shall be gathered at the health facility site and forwarded to the county welfare agency. If the necessary verification is not available, the applicant shall be advised of what information is still required and advised to mail it to the county welfare agency. Arrangements can also be made to schedule a follow-up appointment at the outstation location if that is a convenient alternative. In no event shall an applicant be required to appear at the county welfare agency solely to deliver verifications for a Medicaid eligibility determination.

This outstationing initiative has no direct impact on presumptive eligibility for pregnant women. Those outstation sites which are qualified to certify presumptive eligibility, will continue to make those determinations in accordance with current practice. The presumptive eligibility worker will then refer the pregnant woman to the county welfare agency employee located at that site, or to the designated facility employee if applicable, for initial application processing. There is no preclusion from the designation of presumptive eligibility staff to do the initial Medicaid application processing. However, in no event shall outstationed county intake staff participate in the determination of presumptive eligibility.

Hospitals are required by law to obtain considerable financial and other information about patients. County welfare agencies are encouraged to reach agreements with the various facilities to share relevant information with the county welfare intake staff. However, information obtained by the county as a result of a Medicaid application is confidential and cannot be shared with the outstation site.

**AGED, BLIND, AND DISABLED INDIVIDUALS** Each county welfare agency must provide for initial Medicaid application processing for aged, blind, and disabled individuals at each hospital outstation site. In determining the amount of time that staff capable of processing applications for the aged, blind, and disabled should be outstationed at the facility, the county welfare agency and the facility should consider the relative number of patients meeting these categorical requirements. Because Medicaid eligibility determinations for persons seeking SSI benefits are performed by the Social Security Administration, aged, blind, and disabled individuals who are seeking cash assistance shall continue to be referred to their Social Security District Office for application for SSI and Medicaid. In those outstation locations in which arrangements are made for facility staff to perform initial Medicaid intake, the county welfare agency should provide

Medicaid Communication No. 91-26  
Page 7

Please refer any questions concerning outstationing to Richard Hruby at (609) 588-2556.

Sincerely,

A handwritten signature in black ink, appearing to read "Saul M. Kilstein", written over a horizontal line.

Saul M. Kilstein  
Director

SMK:RHh

Attachments

cc: Marion E. Reitz, Director  
Division of Economic Assistance

Nicholas R. Scalera, Director  
Division of Youth and Family Services

County	Primary Outstation Sites	Secondary Outstation Sites	FQHCs
Atlantic		Atlantic City Medical Center - Atlantic City - Pomona	SA-Lantic Health Services Hammonton SA-Lantic Health Services Pleasantville
Bergen		Bergen Pines Hospital Hackensack Medical Center Englewood Hospital	
Burlington		Deborah Heart and Lung Center Garden State Community	
Camden	Cooper Hospital-University Medical Center	West Jersey Hospital - Camden - Voorhees - Berlin J.F. Kennedy Memorial Hospital - Stratford - Cherry Hill Our Lady of Lourdes	CAMCare Health Corp.- Isabell Miller Center CAMCare - 3 Cooper Plaza
Cape May			
Cumberland		South Jersey Hospital - Bridgeton - Millville	Bridgeton Area Health Services Bridgeton Bridgeton Area Health Services Vineland
Essex	University Hospital (UMDNJ) Cathedral Health Care - St. James Hospital - St. Mary's Hospital - St. Michael's Medical Center United Hospitals Medical Center Newark Beth Israel Med Center Columbus Hospital East Orange General Hospital	St. Barnabas Medical Center Hospital Center at Orange Irvington General Hospital	Newark Community Health Center 741 Broadway Newark Community Health Center 101 Ludlow

County	Primary Outstation Sites	Secondary Outstation Sites	FQHCs
Gloucester		J. F. Kennedy - Washington	
Hudson	Jersey City Medical Center	Christ Hospital St. Mary's Hospital Palisades General Hospital Greenville Hospital	Jersey City Family Health Center
Hunterdon			
Mercer		Helene Fuld Hospital Mercer Medical Center	Henry J. Austin Health Center
Middlesex		Raritan Bay Medical Center St. Peter's Medical Center John F. Kennedy Medical Center Robert Wood Johnson Univ. Hsptl	Eric B. Chandler Health Center
Monmouth		Monmouth Medical Center Jersey Shore Medical Center Riverview Medical Center Centrastate Medical Center	
Morris		St. Clare's River Medical Center - Denville - Boonton Morristown Memorial Hospital	
Ocean		Kimball Medical Center	
Passaic	St. Joseph's Hospital & Medical Center Barnert Memorial Hospital	Wayne General Hospital St. Mary's Hospital Passaic General Hospital Beth Israel Hospital	Paterson Community Health Center
Salem		Memorial Hospital of Salem County	SA-Lantic Health Services Penns Grove
Somerset			
Sussex			

County	Primary Outstation Sites	Secondary Outstation Sites	FQHCs
Union	Elizabeth General Medical Center	St. Elizabeth Hospital Muhlenberg Reg. Medical Center Union Hospital	Plainfield Neighborhood Health Services - Plainfield Health Center Plainfield Neighborhood Health Services - Women's Center
Warren			

## AGREEMENT OF UNDERSTANDING

Agreement of Understanding between \_\_\_\_\_ County Welfare Agency (CWA) and \_\_\_\_\_ a disproportionate share hospital/Federally-Qualified Health Center.

A. The CWA agrees to:

1. Supply training by CWA staff to designated provider staff in interviewing techniques and the kinds of information or documents the applicant must provide to verify eligibility.
2. Provide training on general eligibility requirements for the Medicaid program.
3. Advise the provider staff of relevant changes in Medicaid regulations and procedures in a timely manner.
4. Supply all necessary Medicaid forms and provide instruction for completing of the forms as necessary.
5. Follow up on applications after submission by the provider. If the CWA need additional documentation or verification, it may request that the



4. Conduct a face-to-face interview with the applicant or the applicant's representative and obtain as much documentation as possible to corroborate the statements on the application form. Notify the applicant of the required documentation that was not submitted with directions to mail the material to the CWA.
5. Refer any applicant who wants to apply for any other social service program to the CWA.
6. Submit the original application along with a photocopy of all required documentation to the CWA in accordance with agreed upon procedures.
7. Maintain a log showing the applicants name, date of interview and date on which the application was provided to the CWA.
8. Keep confidential all information obtained while acting on behalf the CWA in application processing. The unauthorized release of information collected can result in the termination of this agreement and possible legal action. All persons who are designated to perform Medicaid eligibility activities must sign a confidentiality agreement. All material related to clients must be maintained in a secure location and be unavailable to staff not engaged in Medicaid eligibility processing.

**AGREEMENT OF UNDERSTANDING**  
**FOR**  
**OUTSTATIONING OF COUNTY WELFARE AGENCY STAFF**

Agreement of Understanding between \_\_\_\_\_  
County Welfare Agency (CWA) and \_\_\_\_\_ a  
designated outstation site.

**A. The CWA agrees:**

1. To outstation \_\_\_ full-time equivalent (FTE) employee(s) to take Medicaid applications on behalf of patients of the facility during the normal working hours of the CWA.
2. That outstationed staff shall abide by the rules and regulations applicable to hospital employees.

**B. The designated outstation site agrees to:**

1. Provide appropriate accommodations and resources to enable the CWA employee(s) to conduct face-to-face interviews with Medicaid applicants.  
These accommodations and resources shall include the following:

2. Provide notification to the CWA employee of all potential applicants. Such notification shall include all patient information relevant to a determination including but not limited to:

- a. Patient identification documentation.
- b. Health insurance coverage documentation.
- c. Other documentation relevant to the referral of the patient to the CWA.

3. Reimburse fifty percent of the cost of the CWA employee(s), including direct costs (salary, fringe benefits, etc.) and indirect costs (administrative, training, office expenses, etc.). All costs will be determined based upon specific employee assignment and the CWA's federally approved administrative cost allocation plan.

## CONFIDENTIALITY AGREEMENT

I, \_\_\_\_\_ an employee at \_\_\_\_\_ have been designated to take Medicaid applications on behalf of the \_\_\_\_\_ (county welfare agency). I understand that all communications and information received by me in the course of or subsequent to the conduct of a Medicaid eligibility interview is confidential and may not be disclosed by me to unauthorized personnel or used for any purpose other than determining eligibility for Medicaid.

I understand that any violation of these provisions is unlawful and may subject me to fines as well as other penalties prescribed by law and may subject the provider to loss of status relating to the processing of Medicaid applications.

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness